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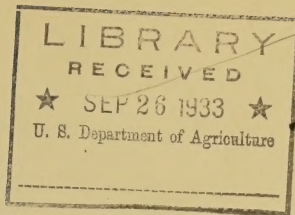
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Have

THE AGRICULTURAL ADJUSTMENT ACT

Applied To

Cotton



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: The fate of any plan depends upon the support it is :  
: given by those who are asked to put it into operation. :  
: This program for the cotton producer essentially places :  
: the responsibility upon the individual farmer. He and he :  
: alone will, in the last analysis, determine whether it shall :  
: succeed. This plan offers the cotton producer a practical, :  
: definite means to put into immediate application the methods :  
: which Congress has prescribed to improve his situation. I :  
: have every confidence that the cotton producer will face the :  
: facts and cooperate fully in the reasonable and practical :  
: plan that is proposed.-- :  
: :  
: Franklin D. Roosevelt. :  
: :  
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: Local committees and county agents have detailed regula- :  
: tions concerning the program for cotton. This pamphlet :  
: briefly summarizes the plan and explains the necessity for :  
: a reduction of cotton production. :  
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## THE SITUATION

Farmers are getting much less income from their cotton than they used to. The 1928 crop had brought in nearly one billion and a half dollars. The 1932 crop sold for less than one-half a billion dollars. Prices are so low because there is more cotton in the world than anybody needs. It looks like there is going to be another big crop this year. Unless something is done to stop it, there will be too much cotton this year too; and cotton farmers will not get much income from it. Obviously something must be done to stop a big crop from being produced or harvested, or conditions in the South are going to continue just as bad as they have been. It is important for the rest of the country too that the South get better income--Southern farmers can't buy things from other sections unless they have money with which to buy.

There were only 4-1/2 million bales of old cotton on hand when farmers started to harvest the new crop in 1929 (this includes only cotton produced in the United States). When the farmers started to harvest the 1932 crop there were 13 million bales of old cotton on hand. Last year's crop ginned out 13 million bales more, making altogether 26 million bales available for use last season. This was enough cotton to last for nearly two years. It looks now as if 12 million bales or more of this cotton will still be left unused when farmers begin picking their new crop on August 1 of this year. Beside this large quantity of old cotton<sup>on</sup> hand, everybody says there has been a marked increase in cotton acreage this year, perhaps 7 to 10 percent. (Official statistics have not yet been gotten together). In addition many farmers put on more fertilizer and the new crop generally looks to be in the best of condition. Even if the yield per acre is only average, this bigger acreage should produce at least 14 million bales of cotton. A crop this size on top of the large quantity of old cotton still on hand would make 26 million or more bales of cotton to be sold this year--just as big a supply as a year ago. There is practically no chance of the use of cotton increasing enough to consume much of this excessive supply. If farmers keep on producing as much cotton as they have been producing recently, it would take four years to get rid of the extra cotton on hand, even if the use of cotton should increase to the large quantities which were being used before the business troubles began in 1929. That means that it would be three or four years before the South would begin to get decent prices for cotton again. These facts make it clear why something definite has to be done about cotton if Southern farmers are really to get fair incomes.

## THE PLAN

The cotton grower will offer to lease his land to the Government. He will sign a contract with the Government. For so much an acre he will rent from one-fourth to one-half of the land he now has in cotton to the Secretary of Agriculture. Two plans are available to the cotton producer who desires to do this. These plans are:





1. The grower will receive a fixed cash rental for each planted acre that the Government leases, and also will receive the right to buy, at 6 cents a pound, cotton now held by the Government. The cash rental will vary according to productivity of land. The rental to be paid for land with an average of 100 pounds of lint cotton would be \$4.50, while the higher yield land producing 300 pounds of lint cotton would be rented at \$10 per acre. This rental payment is designed to compensate the producer adequately. In addition to the cash rental, which will be paid if the Secretary of Agriculture accepts the offer, the producer will be given an option on an amount of cotton equal to the amount which the acreage he leases would produce. If cotton prices stay up, the farmer can buy it at 6 cents a pound in the fall and take the profit. If prices should fall below 6 cents, the Government will stand the loss. The farmer will have an opportunity to sell this cotton at such times before May 1, 1934, as will be to his best advantage and bring him the greatest return. He will receive the full difference in any advance in the price above 6 cents per pound.

The purpose of this plan, first, is to retire acreage from the present crop and reduce supplies; second, to compensate the grower for funds he has expended in planting and cultivating this acreage; and third, to give the grower the right to buy an amount of cotton equal to that which he retires from production, at the low price of 6 cents per pound, so that at the end of the crop year he will have the same amount of cotton for the market that he would have had if he had not participated in this plan.

The first objective achieved by the plan would be to reduce the amount of cotton that would be produced this year. Retiring this cotton from production will, it is believed, so reduce excessive supplies of cotton as to improve prices. The producer will not have suffered any loss from taking acreage out of production. The plan pays him for that. He will gain through any price advance that may result from this program, and will have the same amount of cotton to sell during the marketing season.

2. An alternative plan for those cotton producers who would prefer to take all their pay in cash, rather than partly in options on Government cotton at 6 cents per pound, is for the payment of a larger cash rental per acre for land in cotton which they offer to lease to the Secretary of Agriculture, with no right to buy Government cotton on option. This plan would give the producer a higher rental available soon after the acceptance of the offer if he took no cotton on option. It is designed for the special benefit of those producers who feel that they must have the increased cash payment immediately and do not want a portion of their benefits deferred. In either case, the cash payment would be made as soon as the farmer was notified that his offer had been accepted by the Government, had retired the agreed acres from cotton production and had had this reduction certified by the local committee.





## IT IS UP TO THE COTTON FARMER!

This program places the problem squarely before the producers themselves. The cotton farmer must decide whether or not he wants the help of the Federal Government in a combined effort to reduce the burdensome cotton surplus by adjusting production. The Secretary of Agriculture and those administering the new farm act do not believe it wise to undertake any program so broad in its scope unless cotton farmers themselves say that they want it done and promise to help to work it out. The Government believes this program is the best and surest method of making the adjustments necessary to improve the cotton farmers' situation. The farmer, individually, must decide whether it shall be done. His cooperation is the key to the success of the plan. He must decide whether the plan shall be attempted. Only if a large majority of cotton farmers agree to help can the plan be carried out.

Therefore, contracts have been sent out to the county agents and local committees. These contracts constitute a binding offer from the farmer to the Secretary of Agriculture to lease to the Secretary of Agriculture a certain number of the acres already planted to cotton. If enough producers make these offers to lease, the Secretary of Agriculture will accept the offers, declare the plan operative and proceed immediately with the leasing of land and payment of the sums agreed upon.

The issue is squarely up to the farmer.

If the farmer wants to lease a portion of his cotton land, get paid for it and join in a coordinated campaign to remove a large portion of the cotton surplus, which surplus has been largely responsible for the low price of cotton, it is up to him! A summary of the plan to reduce the acreage is contained in this pamphlet. But first the cotton farmers must make up his mind that he wants this job done. The centralizing powers of the Government stand ready to help the cotton farmer in this emergency if he will help himself.

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